

GEORGE E. COLE®

No. 103

~~LEGAL FORMS~~ PURCHASE MONEY FIRST MORTGAGE (ILLINOIS)

For Use With Note Form No. 1447

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THIS AGREEMENT, made October 22, 1997, between CAR Properties L.L.C., an Illinois limited liability company,

825 Center Street, Unit 501, Des Plaines, IL 60016
(No. and Street) (City) (State)

herein referred to as "Mortgagors," and Bernard A. Heerey,

P.O. Box 6615, Chicago, IL 60680
(No. and Street) (City) (State)

herein referred to as "Mortgagee," witnesseth:

THAT WHEREAS the Mortgagors are justly indebted to the Mortgagee upon the installment note of even date herewith, in the principal sum of Seven Hundred Fifty Thousand and 00/00 DOLLARS (\$ 750,000.00), payable to the order of and delivered to the Mortgagee, in and by which note the Mortgagors promise to pay the said principal sum and interest at the rate and in installments as provided in said note, with a final payment of the balance due on the 1st

day of November, 2002, and all of said principal and interest are made payable at such place as the holders of the note may, from time to time, in writing appoint, and in absence of such appointment, then ~~at the office of the Mortgagee at~~ by U.S. Mail addressed to: Bernard A. Heerey, P.O. Box 6615, Chicago, IL 60680

NOW, THEREFORE, the Mortgagors to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY AND WARRANT unto the Mortgagee and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein situate, lying and being in the

City of Des Plaines, COUNTY OF Cook IN STATE OF ILLINOIS, to wit:

See the legal description attached hereto as Exhibit A and incorporated herein by this reference;

which, with the property hereinafter described, is referred to herein as the "premises,"

Permanent Real Estate Index Number(s): 09-08-301-008

Address(es) of Real Estate: 855 East Rand Road, Des Plaines, IL 60016;

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagors may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily) and all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing), screens, window shades, storm doors and windows, floor coverings, inador beds, awnings, stoves and water heaters. All of the foregoing are declared to be a part of said real estate whether physically attached thereto or not, and it is agreed that all similar apparatus, equipment or articles hereafter placed in the premises by Mortgagors or their successors or assigns shall be considered as constituting part of the real estate.

Above Space for Recorder's Use Only

7-2 1401 7689548 dl confirmed 8556892 10/1

BOX 333-CTI

TO HAVE AND TO HOLD the premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the Mortgagors do hereby expressly release and waive.

The name of a record owner is: CAR Properties L.L.C.

This mortgage consists of four pages. The covenants, conditions and provisions appearing on pages 3 and 4 are incorporated herein by reference and are a part hereof and shall be binding on Mortgagors, their heirs, successors and assigns. (including Paragraph Nos. 1-20)

Witness the hand . . . and seal . . . of Mortgagors the day and year first above written.

CAR Properties L.L.C. (SEAL) _____ (SEAL)

PLEASE PRINT OR TYPE NAME(S) BELOW SIGNATURE(S)
By Robert L. Gritzke
President (SEAL) _____ (SEAL)

State of Illinois, County of Cook ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert L. Gritzke, as President
of CAR Properties L.L.C.,

personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

OFFICIAL SEAL
Dorothy A. Cannon
Notary Public, State of Illinois

Given under my hand and official seal, this 22nd day of October 19 97

Commission expires 5-31-1999
Dorothy A. Cannon
NOTARY PUBLIC

This instrument was prepared by Jordan Grey, 11 S. LaSalle St., Ste. 1320, Chicago, IL 60603
(Name and Address)

Mail this instrument to Jordan Grey, Nathaniel I. Grey, P.C., 11 S. LaSalle St., Ste. 1320
(Name and Address)

Chicago Illinois 60603
(City) (State) (Zip Code)

OR RECORDER'S OFFICE BOX NO. _____

11. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note; fourth, any overplus to Mortgagors, their heirs, legal representatives or assigns, as their rights may appear.

12. Upon or any time after the filing of a complaint to foreclose this mortgage the court in which such complaint is filed may appoint receiver of said premises. Such appointment may be made either before or after the sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

13. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

14. The Mortgagee shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

15. The Mortgagors shall periodically deposit ^{in escrow} with the Mortgagee such sums as the Mortgagee may reasonably require for payment of taxes and assessments on the premises. No such deposit shall bear any interest. See Paragraph 19 hereof.

16. If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

17. Mortgagee shall release this mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

18. This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagors and all persons claiming under or through Mortgagors, and the word "Mortgagors" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the note secured hereby.

19. In addition to Mortgagors depositing with Mortgagee a sum equal to the initial estimate of taxes and assessments due on the date interest commences to run hereunder, and subject to applicable law or to a written waiver by Mortgagee, Mortgagors shall pay to Mortgagee on or before each day monthly payments are due under the note secured hereby, commencing during the ^{third} (3rd) month after full execution and delivery hereof and continuing until said note is paid in full, a sum ("Funds") equal to one-twelfth (1/12) of the yearly taxes and assessments which may attain priority over this mortgage. These items are called "escrow items." Mortgagee may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items. The initial estimate of the 1997 general real estate taxes for the premises payable in 1998 is 104% of the 1996 general taxes payable in 1997. The Funds are hereby pledged as additional security for the sums secured by this mortgage. Mortgagee shall have no obligation to segregate the Funds from Mortgagee's other funds. Mortgagee shall give to Mortgagors an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. If the amount of the Funds held by Mortgagee, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the then current estimate of all accrued and unpaid taxes and assessments (less a sum equal to three (3) of such monthly payments), the excess shall be credited to Mortgagors' next required monthly payment(s) of Funds. If the amount of the Funds held by Mortgagee is not sufficient to pay the then current estimate of sums needed to pay all accrued and unpaid taxes and assessments (less a sum equal to three (3) of such monthly payments), upon Mortgagee's issuance of a statement in respect to Mortgagors, Mortgagors shall pay to Mortgagee, within ten (10) days after issuance of such statement, any amount necessary to make up such deficiency in one or more payments as required by Mortgagee. Upon payment in full of all sums secured by this mortgage, Mortgagee shall promptly refund to Mortgagors any Funds held by Mortgagee. If under Paragraph 10 hereof the premises are sold or acquired by Mortgagee, Mortgagee shall apply, no later than immediately prior to the sale of the premises or its acquisition by Mortgagee, any Funds held by Mortgagee at the time of application as a credit against the sums secured by this mortgage. In the event that Mortgagee holds sufficient Funds pursuant to the terms of this Mortgage but fails to pay all the taxes and assessments when due, Mortgagors shall have the right to make such defaulted payment, including any late fees and/or penalties thereon, and to offset the amount of such payment as follows: First, against the next current mortgage principal and interest installments that are due under the note secured hereby; and Second, against the final balloon payment of interest and principal that will be due under said note. Mortgage payments withheld under the preceding sentence shall not be construed in any way to be deemed in default under the note secured hereby. Mortgagee shall provide Mortgagors duplicate receipts or other reasonable evidence showing payment of the taxes and assessments out of such available Funds as soon as is practicable after payment thereof.

20. Without undue delay, and within the parameter of a timetable not to exceed two (2) years after execution and delivery of this mortgage, Mortgagors shall perform, at Mortgagors' expense, all maintenance, repairs, replacements, and cleaning, and all build-out, as may be necessary to put the premises into good condition as required to open for business and occupy the premises in a first-class facility, in compliance with all laws and regulations applicable to Mortgagors and Mortgagors' intended uses of the premises. At a minimum, such work shall include (i) substantial repairs, replacements, and/or cleaning of (A) the roof, garage doors, ceiling tiles, windows, carpeting, and the heating, ventilating, air-conditioning, and electrical systems of the building on the premises, and (B) the parking lot, fencing, and light poles on the exterior portions of the premises, (ii) building out bathrooms to comply with the requirements of the Americans with Disabilities Act, (iii) to the extent required by law, installing a new sprinkler system in the building, and (iv) painting in the building. Mortgagors have estimated and budgeted \$545,000.00 as the cost of such minimum work.

THE COVENANTS, CONDITIONS AND PROVISIONS REFERRED TO ON PAGE 2.

1. Mortgagors shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the premises ~~superior to the lien hereof~~, and upon request exhibit satisfactory evidence of the discharge of such ~~prior~~ lien to the Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations in said premises except as required by law or municipal ordinance.*
2. Mortgagors shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagors shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may desire to contest. See Paragraphs 15 and 19 hereof.
3. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then and in any such event, the Mortgagors, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagors to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to Mortgagors, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.
4. If, by the laws of the United States of America or of any state having jurisdiction in the premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Mortgagors covenant and agree to pay such tax in the manner required by any such law. The Mortgagors further covenant to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.
5. At such time as the Mortgagors are not in default either under the terms of the note secured hereby or under the terms of this mortgage, the Mortgagors shall have such privilege of making prepayments on the principal of said note (in addition to the required payments) as may be provided in said note.
6. Mortgagors shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than ten days prior to the respective dates of expiration.
7. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagors.
8. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.
9. Mortgagors shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Mortgagee and without notice to Mortgagors, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any installment of principal or interest on the note, or (b) when default shall occur and continue for three days in the performance of any other agreement of the Mortgagors herein contained.
10. When the indebtedness hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches, and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the premises or the security hereof.

EXHIBIT A

TO PURCHASE MONEY FIRST MORTGAGE

Legal Description of the Land at the Property Commonly Known as
855 East Rand Road, Des Plaines, Illinois (PIN: 09-08-301-008)

That part of Lot 1 lying West of a line described as drawn parallel to the West line of said Lot 1 from a point in the Southerly line of said Lot 1 to a point in the Southwesterly line of Rand Road, as shown on the plat of Owner's Division hereinafter described, which point is 103.00 feet distant Northwesterly from the point of intersection of said Southwesterly line of said Rand Road (as measured along said Southwesterly line) with a line which is 150.00 feet West of (measured at right angles) a line drawn parallel to the West line of said Lot 1 from a point in said Southerly line of said Lot 1 to a point in said Southwesterly line of said Rand Road that is 450.00 feet Northwesterly of the Easterly line of said Lot 1 (as measured along said Southwesterly line of said Rand Road) and lying Southwesterly of a line that is 50.00 feet (measured at right angles) Southwesterly and parallel to a line described as beginning at a point in the West line of the Southwest Quarter of said Section 8, distant 1,721.80 feet North of the Southwest Corner thereof; thence Southeasterly along a straight line which makes an angle of 52 Degrees 52 Minutes, measured from South to East, from said West line of said Southwest Quarter of said Section 8, a distance of 885.00 feet to a point of curvature of a curve, concave to the Southwest having a radius of 34,377.50 feet; thence Southeasterly along said curve a distance of 1,015.00 feet to a point of tangency; thence Southeast along a straight line, a distance of 841.40 feet to a point in the South line of the Southwest Quarter of said Section 8, a distance of 2,212.40 feet East of the Southwest corner thereof; all in Owner's Division of that part of the South 25.67 chains of the Southwest Quarter of Section 8, Township 41 North, Range 12 East of the Third Principal Meridian lying South of the centerline of Rand Road and West of the West line of Minneapolis, St. Paul and Sault Ste. Marie Railroad; (except that part taken for Fourth Avenue as per Dedication recorded January 23, 1970 as Document No. 21065101), in Cook County, Illinois.